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August 27, 2009

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**Lieutenant Governor John Garamendi's
Statement on News of Toyota's Decision
to Close Fremont's NUMMI Auto Plant**

*A Resolution Must be Reached to
Save the Last Auto Plant in California*

SACRAMENTO – Lieutenant Governor John Garamendi, chair of the California Commission for Economic Development, issued the following statement after rumors surfaced that Toyota is considering a shut down of the New United Motor Manufacturing, Inc. (NUMMI) plant in Fremont.

“California and Toyota have a special relationship,” said Garamendi. “California is one of

Toyota's biggest global markets and the NUMMI auto plant is one of their most efficient, indirectly employing 25,000 to 35,000 hardworking Californians. I would hate to see that relationship disrupted by the closure of NUMMI and I am optimistic that a resolution can still be reached that works for Toyota, their employees, their vendors and California."

In 2006, the average Toyota dealer in California sold 3,500 new vehicles a year, compared to 1,700 nationally. Nine of the top ten metropolitan markets in 2006 for Toyota were in California.

"Toyota is involved in a complex divorce with a bankrupt General Motors," added Garamendi. "Toyota needs to know unequivocally that Californians want them to stay and we are willing to work for it. The Treasury Department needs to release federal stimulus dollars to show Toyota they are a vital California and U.S. business partner."

The NUMMI plant closure would lead to the direct loss of 4,700 jobs, but with numerous contracts with suppliers statewide, California is expected to lose an estimated 25,000 to 35,000 jobs statewide. Of the approximately 1,186 supplier companies with NUMMI contracts, all but five are in California. 35 California counties are home to at least one NUMMI supplier. The five counties with the most suppliers include: Alameda (389), Santa Clara (204), Los Angeles (126), Contra Costa (79), and Orange (73).

Garamendi supports state legislation that will help NUMMI, including:

- Senator Ellen Corbett's (D-San Leandro) SB 483, would create an enterprise zone in Fremont;

- Assemblymember Alberto Torrico's (D-Fremont) ABX4 31, which creates an enterprise zone and tax incentives, including establishes a sales and use tax exemption for manufacturing equipment; and

- Senator Roderick Wright's (D-Los Angeles) SB 830, creates an enterprise zone and tax benefit incentives, and would require state agencies to purchase cars manufactured in California, as well as would require the PUC to reduce the public goods charge for 2 years to NUMMI.

At an August 6 hearing of the Commission for Economic Development, Garamendi called on the Commission to support his appeal for a federal bailout from the Treasury Department, echoing a letter Garamendi sent to the President's Auto Task Force in late July. Senator Dianne Feinstein, Senator Barbara Boxer, and many in the California House delegation have made similar appeals.

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